DESIGNING AN EXPERT TOOL

FOR SUPPORTING (RE)LOCATION DECISION MAKING
IN LARGE MULTINATIONAL COMPANIES

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FOR SUPPORTING (RE)LOCATION DECISION MAKING IN LARGE MULTINATIONAL COMPANIES

WHY THE PROBLEM

WHAT THE SOLUTION

HOW THE METHOD

EVALUATION

CONCLUSION
THE PROBLEM

CHALLENGES IN THE REAL ESTATE MANAGEMENT

COMPLEXITY

THE RESEARCH QUESTION
CHALLENGES IN THE REAL ESTATE MANAGEMENT

- Corporate Real Estate alignment
- Location decision-making process
- Changing needs of various stakeholders, strategies and unforeseen alterations
- Many models, inaccessible for CRE managers
- Scarcity in expert tools
LOCATION DECISION MAKING PROBLEM

BUSINESS CASE

LOCAL IMPACT

CORE BUSINESS SUPPORT

USER SATISFACTION
LOCATION DECISION MAKING COMPLEXITY

Trigger

Assignment Definition

Analysis

Decision

Outcome
ASSIGNMENT DEFINITION

Market, internal and external factors
Characteristics of company
Stakeholder engagement
Driving forces and strategies

LOCATION CRITERIA
The awareness of criteria range and their relative importance is lacking in the majority of cases. High level of expertise and vast amount of knowledge is required, however, the proper supportive expert tools are in scarcity. The knowledge is available but disperse.
THE RESEARCH QUESTION
How can an expert tool improve (re)location decision making in large multinational companies?
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APPROACH

Empirical research:
- Literature study

Operational research:
- Creating an artifact
THE EXPERT TOOL

Expert systems (ES) represent and reason with knowledge of some specialist subject.

Aim at solving problems or giving advice. Can be critical for decision support.

The ES tool is a software containing the basic components of an ES.

Mainly stand-alone, independent systems. Can provide a support to DSS models.
LOCATION CRITERIA

COMPANY FEATURES

(RE)LOCATION PROCESS CHARACTERISTICS

REASON BEHIND LOCATION SEEKING

OBJECTIVES TO BE ACHIEVED

CRITERIA
- 110 criteria
- 160 sub-criteria
14 CATEGORIES
LOCATION CRITERIA

COMPANY FEATURES

(RE)LOCATION PROCESS CHARACTERISTICS

REASON BEHIND LOCATION SEEKING

OBJECTIVES TO BE ACHIEVED

PATTERNS

CRITERIA
- 110 criteria
- 160 sub-criteria
- 14 CATEGORIES
Optimising the real estate portfolio to support core business:
• Lower the real estate footprint
• Lower costs
• Limit the number of occupied buildings
3 ROUNDS:
- 5 users: pilot case
- 1 user: outside the case
- providing and adjusting input
- evaluating output
- evaluating tool

TOOL DEVELOPMENT

4 STEPS:
Logical testing
- Prototype
Pilot case:
- Tool 1.0.
- Tool 2.0.
- Tool 3.0

TESTING

IMPROVING
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To bring the scientifically based rationality, structure and knowledge to the highly emotional process
INPUT
Provided by the decision makers
Weights assigned to determinants

THROUGHPUT
The expert tool procedure
- Linking the input to criteria
- Combining criteria from various stakeholders
- Specifying demand with preferences and constraints
- Derivation of criteria list

OUTPUT
Tailored list of most relevant criteria
RESULTS

STATED CRITERIA

22

62
RESULTS

STATED CRITERIA

22

62

within 31
RESULTS

STATED CRITERIA

22

62

1-3
RESULTS

STATED CRITERIA

- Costs
- Proximity to parent company’s facilities
- Company specific (spatial) needs
- Infrastructure
- Social and cultural factors
- Characteristics of a specific location
- Characteristics of markets/customers
- Labour characteristics
- Quality of life
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TOOL ASSESSMENT

- EVALUATION
- SHORTCOMINGS
- ADDED VALUE
'A big advantage of the tool is that you can work with people from various backgrounds and bring understanding of the process for them.'

'My point of view was reflected very well, of course. But for me the combination of outcome from all stakeholders is most interesting.'
'I would absolutely recommend using it in the decision making process. It could be very beneficial.'

'The tool idea is very simple and at the same time it surprisingly gives you so much insight into the complexity of the problem. That is what I really like.'
‘You have ability to express of what you find important and the tool incorporates it to this wider pool, where your idea, your voice is being heard. In a normal discussion it would not be possible for everyone. It is empowering.’

‘With your tool you let the decision maker deep-dive in the problem. For me this is not really making things easier. This might lead to missing the objective of “supporting”. On the other hand you provide deeper understanding and help to underpin the needs and ’the gut feel’
SHORTCOMINGS

TIME CONSUMING TO FILL IN

TOO SCIENTIFIC APPROACH

POOR VISUAL REPRESENTATION
ADDED VALUE

INCREASED TRANSPARENCY

ENRICHED THINKING PROCESS

MATCHING COMPANY'S PRIORITIES

EMPOWERMENT AND ENGAGEMENT

PROVIDING STRUCTURE TO THE PROCESS
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How can an expert tool improve (re)location decision making in large multinational companies?
HOW?

- Increasing level of transparency among decision makers
  Limiting the information inequalities and biases

- Gathering and structuring the knowledge

- Raising awareness of real demand coming from various parts of the company
  Underpinning priorities
  Understanding ‘WHY’

- Raising knowledge level and the acceptance of decision
  Providing a feeling of empowerment to the stakeholders
WHAT'S NEXT?

- **TOOL FOR CONSULTANTS**: New target owner and a system engineer to guide the user through
- **VISUAL REPRESENTATION**: Simplified and more attractive visual representation
- **DYNAMIC CHARACTER**: Wide accessibility and easy update
THANK YOU